



state senator  
**Johnny Nugent**

2006 LEGISLATIVE UPDATE

Indiana Senate  
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Indianapolis, IN 46204

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# Telecom Law Could Save Money on Cable Bills

While much of the discussion in this year's session centered on physical infrastructure like roads and bridges, the General Assembly made a historic change in its unseen infrastructure. Through reforms made in House Enrolled Act 1279, Indiana will see lower cable prices, increased competition and a wave of investment in the state.

Experts have called HEA 1279 the most aggressive telecommunications reform in the nation and say it will likely be a model that other states are sure to follow. The bill includes several provisions designed to give Hoosiers access to the best technology at a reasonable price. It contains two major provisions:

Statewide Video Franchising - Following the model used in Texas, HEA 1279 creates a streamlined process through which video providers (such as cable companies) can enter a market and compete for customers. Known as statewide video franchising, this process will result in more video competition and lower prices for consumers. Since September, when Texas statewide franchising went into effect, more than 120 franchises have been granted to competing companies.

HEA 1279 will eliminate the current virtual monopoly of cable providers and give most Hoosiers a choice in video service. In February, Ball State University's Digital Policy Institute released a study saying Hoosiers could save a total of \$262 million on their cable bills annually as a result of new choices.

Telephone deregulation - A recent survey of CEOs in Site Selection Magazine showed that access to high-speed communications is the most important factor in drawing new business development to a particular state. HEA 1279 encourages telephone companies to deploy more high-speed Internet, called broadband, by gradually deregulating basic phone services if broadband is made available. Companies must be able to offer high speed Internet to 50 percent of households in any given exchange before they can raise rates in that exchange. Monthly basic rates may increase by only \$1 per year until 2009.

The new law also contains protection for low-income Hoosiers. HEA 1279 establishes the Indiana "Life Line" program that provides discounted telephone rates to Hoosiers below 150 percent of the

federal poverty level. This is a supplement to the federal program, which aids consumers with a household income below 135 percent of the federal poverty level. Consumers will also be protected through a ban on "local measured service," which is the practice of charging for local phone calls by the minute.

This legislation was a rare opportunity to create 20,000 new jobs and \$7 billion in investment in Indiana. And that is an opportunity that can't be passed up.



Senator Nugent listens to testimony in committee.



# SENATOR JOHNNY NUGENT

serving district 43: dearborn, riple, union, franklin, ohio, and jennings counties

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## Property Tax Dilemma: Immediate Relief, Plan for Permanent Solution

Across the state, there is a strong desire to decrease local governments' reliance on property taxes. In order to eliminate more than \$5 billion in property tax revenue, we must find a new source of funding. This year, the Senate came up with a plan that would lower property taxes and replace that lost revenue with a more equitable tax. The plan did pass the Senate with my support, although it did not receive favorable consideration during the rest of the legislative process.

Statistics show that Indiana ranks among the worst in the nation in reliance on property taxes to fund local government. Indiana funds 89 percent of local government with property taxes. The national average is 78 percent and falling. That makes Indiana the 15th worst property tax state in the nation.

**"I am pleased that we were able to help Hoosiers, but I am also hopeful that long-term relief will come in the very near future."**

Also, Indiana is 14th worst in the nation in reliance upon property taxes in relation to sales and income tax. Property taxes provide 37.2 percent of income from "the big three" compared to national average of 32.4 percent and falling.

Property taxes, which are levied and collected by local — not state — government, fund local entities such as schools, libraries, and fire departments. It's no secret that the property tax is often unfair. It affects seniors, small business owners and farmers more than others who can afford to pay the tax. The Senate plan to permanently lower property taxes replaces the unfair property tax with a more equitable income tax.

Under the plan, local elected officials in each county would take two votes. The first, an incremental income tax increase estimated at less than 1 percent, would stop the growth of property taxes and freeze them at current levels. The second, an additional one percent, would actually lower property taxes by an average of 20 percent or more.

I am hopeful of passing this long-term relief in the near future, however, the General Assembly this year approved \$100 million in immediate relief. This money will lower property tax increases this year, giving taxpayers a quick break. I am pleased that we were able to help Hoosiers, but I am also hopeful that long-term relief will come in the very near future.

In conclusion, I am glad that we were able to provide property tax relief this year. I hope, however, that next year we can implement the solution I explained here or a similar one to provide real, tangible, long-term property tax relief to Hoosiers.

## Supporting Prayer for Our State

I am proud to have co-authored Senate Resolution 3, which was adopted by the Senate this year. The resolution encourages clergy at the Statehouse to pray according to the dictates of their conscience, thus ensuring religious liberty. I was disappointed by the recent federal court ruling that specifically forbids the use of the name 'Jesus Christ'. I believe this places one religion over another. Our First Amendment rights protect this free speech. My Senate colleagues and I fully support the Speaker of the House in his efforts to take all legal measures to ensure that members of the clergy and others who lead any house of the General Assembly in prayer should be able to pray according to the dictates of their conscience.

## STAY CONNECTED TO THE INDIANA GENERAL ASSEMBLY



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Or contact me at:  
**200 W. Washington St.  
Indianapolis, IN 46204**

**(800) 382-9467  
s43@in.gov**

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# Standing Up for Our 2nd Amendment Rights

## Laws Simplify Licensing Procedures; Give Power Back to Law-Abiding Citizens

"The people shall have a right to bear arms, for the defense of themselves and the State." Article 1, Section 32 of the Indiana Constitution grants us the freedom to own firearms and store them in our homes.

I have always been a firm supporter of our Second Amendment rights, and was pleased to sponsor two bills that were passed this session to protect law-abiding gun owners.

The "Stand Your Ground" law, House Enrolled Act 1028, aims to protect Hoosiers who are protecting themselves. The bill allows any person to use deadly force against an intruder to the person's home or vehicle. Current law says that the intruder must have intent to cause death or bodily harm. I believe that when someone breaks into your private property, you have the right and responsibility to defend yourself and your family.

Stand Your Ground also removes Indiana's "duty to retreat" requirement. No longer will a Hoosier under attack have to turn their back and try to escape. Instead, victims may fight back if they believe it is necessary to prevent harm.

House Enrolled Act 1176 attempts to simplify the handgun licensing process. Currently, everyone with a handgun license must have



Senator Nugent, other legislators and 2nd Amendment supporters listening to Governor Daniels praise HEA 1028 and HEA 1172 before signing them into law.

their permit updated and be fingerprinted every four years - even people who have had such a license all of their adult life. This legislation would create lifetime licenses.

These small, sensible changes will be a great improvement of the current system and make the licensing procedure much more efficient. There is no reason to punish those law-abiding citizens who are simply exercising their Second Amendment rights.

# Hoosier Wineries Can Survive Under Legislation

An often-overlooked industry in the Hoosier state is the wine industry. More than 30 farm wineries in Indiana thrive in Indiana, but a recent the Supreme Court of the United States decision threatened their survival.

In May the Supreme Court of the United States ruled that both in-state and out-of-state wineries must be treated the same. That meant Indiana's direct-to-consumer shipping practices were unconstitutional. To remedy this problem, lawmakers undertook the difficult task of finding a compromise that ensured survival of our wineries and keeping alcohol away from underage drinkers.

The General Assembly succeeded in passing House Enrolled Act 1016, which creates a direct wine-seller's permit for both in- and out-of-state wineries, putting everyone on an equal playing field.

Consumers who order wine must have an Indiana address, be

ordering wine for personal use and verify they are 21. This will keep minors from having easy access to the wine.

HEA 1016 limits the amount of wine a winery can ship to an Indiana address designate by an consumer to 216 liters of wine or 24 cases per year and also limits the wineries to shipping 27,000 liters or 3,000 cases total to Indiana addresses in a year.

This legislation is a good balance that allows our wineries to continue doing business as they have for the last thirty years. However it puts reasonable limits on the amount of direct shipping they are allowed to do. It also gives them additional business opportunities by allowing them to open three additional locations to sell their wine.

The Hoosier farm winery industry is an important part of our economy and I am pleased that a resolution was reached during the session to make sure this industry continues to thrive.

# EMINENT DOMAIN: PROTECTING PROPERTY OWNERS

The right to own property is fundamental to the American way of life. We are all familiar with the concept of "life, liberty, and the pursuit of happiness" set out in our Declaration of Independence. However, at the time the Declaration was issued, many Americans listed such basic God-given human rights as "life, liberty and property."

Last summer, the U.S. Supreme Court issued a ruling that threatens the right to own property. In *Kelo v. City of New London*, the court said that government may "take" private property for economic development. In other words, as then-Justice Sandra Day O'Connor wrote, "Nothing is to prevent the state from replacing any Motel 6 with a Ritz-Carlton, any home with a shopping mall, or any farm with a factory."

The Supreme Court, however, left a loophole, saying legislatures may further restrict the use of eminent domain. This year, the General Assembly did exactly that.

This summer, Indiana created an Eminent Domain Study Committee to look at Indiana's property rights laws to see how they could be improved. Many of their conclusions are now in the form of House Enrolled Act 1010.

Perhaps most importantly, the new law requires the reason for



Senator Nugent discusses legislation with Senator Allen Paul (R-Richmond).

using eminent domain be something that benefits the public. Thus, eminent domain can be used for a legitimate government purpose-but not simply to increase a local government's tax base.

The new law does several other things, including placing time restrictions on eminent domain so that property owners are not left in limbo for years at a time; requiring just compensation for Hoosier property owners; and mandating good-faith negotiations between the condemner and the property owner.

When used appropriately, eminent domain is an important tool that can help provide anything from roads to parks to schools for public use. HEA 1010 ensures that this tool is not abused at the expense of Hoosiers' right to own private property.

# MAJOR MOVES:

## Major Opportunities for Our State and Major Funds for Local Counties

Much of the talk surrounding Major the long-awaited Hoosier Heartland

Moves has been abstract. Debates such as "Is foreign investment the right thing to do?" and "Is 75 years too long?" were handled and answered. But now that Major Moves has passed, it is important that people know what benefits they will see.



Nugent discusses legislation with a member of the Senate fiscal policy staff.

The money from the lease will be used to complete local projects. The distribution is based

Corridor, extension of Interstate 69 from Indianapolis to Evansville, new Ohio River bridges and hundreds of other projects.

Additionally, because of the size of the lease payment, \$150 million will be distributed to counties, cities and towns for

on a formula similar to the distribution of gas tax revenues. The counties in our 43rd Senate District will receive the following amounts in 2006 and 2007:

- Dearborn County — \$522,958
- Ohio County — \$130,723
- Ripley County — \$560,971
- Union County — \$202,989
- Franklin County — \$437,430
- Jennings County — \$487,564

As you can see, Major Moves will generate a significant amount of money for our area that will improve the quality of life.